

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Summary						FTE Position Summary
Fund	2010-11 Adjusted Base	Governor		2011-13 Change Over Base Year Doubled		
		2011-12	2012-13	Amount	%	
GPR	\$0	\$5,063,000	\$5,063,000	\$10,126,000	N.A.	There are no authorized state positions for the Wisconsin Housing and Economic Development Authority.
FED	0	34,632,400	34,632,400	69,264,800	N.A.	
PR	0	1,013,700	1,013,700	2,027,400	N.A.	
TOTAL	\$0	\$40,709,100	\$40,709,100	\$81,418,200	N.A.	

Budget Change Item

1. TRANSFER COMMERCE HOUSING PROGRAMS TO WHEDA

GPR	\$10,126,000
PR	2,027,400
FED	69,264,800
Total	\$81,418,200

Governor: Transfer the following state housing programs from the Department of Commerce (Commerce) to WHEDA: (1) Housing Cost Grants and Loans, or Housing Cost Reduction Initiative [HCRI]; (2) Transitional Housing Grants; (3) State Shelter Subsidy Grant; (4) Local Housing Organizations Grants [LHOG]; and (5) Interest-Bearing Real Estate Trust Account [IBRETA].

Require the Authority to prepare the five-year comprehensive state housing strategy plan. Also, transfer to WHEDA responsibilities for issuing a report on any bill introduced in the Legislature that affects the development, construction, cost, or availability of housing in the state. Authorize WHEDA to adopt any rules necessary to administer the reporting provision. Current law also contains a similar provision under Chapter 227 requiring Commerce to issue a report on any administrative rule proposal that would substantially affect the development, construction, cost, or availability of housing. The bill would repeal this requirement.

Further, transfer statutory authority for administration or matching funding for the following federal programs from Commerce to WHEDA: (1) Projects for Assistance in the Transition from Homelessness [PATH]; (2) housing rehabilitation portions of the Small Cities Community Development Block Grant [CDBG]; and (3) Emergency Shelter Grant under the federal Stewart B. McKinney Homeless Assistance Act.

Create a housing assistance program in WHEDA in the appropriations schedule, and create the following appropriations:

<u>Appropriation</u>	<u>Source</u>	<u>Annual Funding</u>
General operations	GPR	\$509,400
Housing grants and loans (LHOG and HCRI)	GPR	3,097,800
Payments to designated agents (HCRI)	GPR	0
Shelter for homeless and transitional housing grants	GPR	1,413,600
Mental health for homeless persons (PATH matching funds)	GPR	42,200
Housing program services (Non-state agencies)	PR	168,900
Funding for the homeless (IBRETA, State Shelter Subsidy)	PR	422,400
Sale of material and services	PR	0
Housing program services (State agencies)	PR	422,400
Federal funds; state operations	FED	1,632,400
Federal funds; local assistance	FED	10,000,000
Federal funds; aids to individuals and organizations	FED	<u>23,000,000</u>
Total		\$40,709,100

Also, delete obsolete WHEDA appropriations specifying certain transfers from Commerce to the Wisconsin job training reserve fund, which is an inactive WHEDA program.

Specify that assets and liabilities, tangible personal property, and contracts of Commerce related to its housing programs (Subchapter X of Chapter 560) would be transferred to WHEDA on the bill's effective date. Under the bill, WHEDA would assume responsibility for administering state and federal funds for housing assistance as noted above, as well as other federal funding not specifically addressed in the statutes but whose distribution is currently assigned to Commerce by the Governor under s. 16.54 of the statutes. [See entries under "Commerce" for additional information on these programs.] In the event WHEDA failed to perform a duty or satisfy an obligation transferred from Commerce under the bill, the Department of Administration would be required to ensure such obligations are met.

Specify WHEDA as the beneficial owner of interest accruing to real estate trust accounts established by real estate brokers to hold client funds. Further, transfer from Commerce to WHEDA or the Department of Safety and Professional Services (DSPS) the authority to examine or audit trust accounts at each entity's discretion. Under current law, real estate brokers that hold client funds such as down payments or earnest money must hold funds in interest-bearing trust accounts at depository institutions. Commerce receives interest on the trust accounts, the proceeds of which support the IBRETA program for grants to organizations providing shelter or services to homeless persons.

The bill would provide WHEDA with \$2,141,800 each year for administration of the transferred housing programs, including \$509,400 GPR and \$1,632,400 FED. As an authority, WHEDA is not a state agency, and staff of the Authority are not included in state position authorizations. However, the state budget system would allocate a portion of both of WHEDA's state administrative appropriations under the bill to salaries and fringe benefits for permanent staff.

[Bill Sections: 19 thru 26, 214, 435 thru 446, 713 thru 716, 1648, 1664, 2730, 2821 thru 2823, 2826, 2827, 3268 thru 3275, 3450 thru 3459, 3461, 3462, 3540, and 9110(1)]